

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 547 - HB 1462

March 7, 2021

SUMMARY OF BILL: Creates the *Uniformity in Local Government Lease Financing Act of 2021*. Establishes requirements for certain public entities when entering into lease financing agreements on or after January 1, 2022, including seeking the approval of the Comptroller of the Treasury (COT). Establishes that any property leased by such public entities is exempt from taxation.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Currently public entities operate under the Governmental Accounting Standards Board (GASB) which establishes accounting and financial reporting standards for governmental entities.
- Based on information provided by the COT, the GASB updated the standards of how to account and report lease purchase financing and the proposed legislation will bring state law in alignment with GASB standards.
- The COT will conduct the required review and approval process utilizing existing staff and resources; therefore, the proposed legislation will not result in a significant fiscal impact to state government.
- The proposed legislation may result in local governments needing to update debt management policies; however, will not result in a significant fiscal impact to local government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic".

Bojan Savic, Interim Executive Director

/lm